

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:1921
ANSWERED ON:15.03.2005
INDO- MYANMAR TRADE
Subba Shri Moni Kumar

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether India and Myanmar have relaxed currency norms for smooth conduct of exports and imports;
- (b) if so, the details of the steps taken to boost border trade with Myanmar; and
- (c) if so, how far the exports and imports across the said border have increased compared to that during the year prior to relaxation?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI E.V.K.S. ELANGO VAN)

(a): As per current guidelines under FEMA, member countries in the Asian Clearing Union (except Nepal) namely Bangladesh, Islamic Republic of Iran, Myanmar, Pakistan and Sri Lanka can make payment for all eligible current transactions by debit to the Asian Clearing Union dollar account in India of a bank of the member country in which the other party to the transaction, is resident or in any permitted currency in all other cases. Further, the RBI has issued a circular in 2004 to all banks, authorized to deal in foreign exchange, which allows trade transactions with Myanmar to be settled in any freely convertible currency, in addition to the ACU Mechanism.

(b): With a view to boosting the border trade with Myanmar, a border trade agreement was signed in 1994 and operationalised in April, 1995. The border trading point at Moreh-Tamu in the Manipur sector has been operating since April 1995. A second border trading point at Zowkhatar-Rhi in Mizoram sector has been opened in January 2004.

(c): The details of the exports and imports across the border with Myanmar during the last three years are given below:

(Value in lakh Rupees)

Year	Exports	Imports	Total
2001-02	125.07	812.50	937.57
2002-03	392.20	1262.10	1654.30
2003-04	985.30	884.50	1939.80